

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

HEDGECO, LLC d/b/a HEDGECO NETWORKS,

Plaintiff,

– against –

JEFFREY SCHNEIDER and JARED TOREN,

Defendants.

Case No.: 08 CV 0494 (SHS)

**DECLARATION OF
JEFFREY SCHNEIDER**

JEFFREY SCHNEIDER, pursuant to 28 U.S.C. § 1746, declares and states under penalty of perjury as follows:

1. I am one of the named defendants in this action, and currently reside in Austin, Texas. I submit this declaration in opposition to the request for preliminary injunctive relief sought by my former employer, Hedgeco, LLC.
2. My relationship with Hedgeco began in 2004. At the time, I was (and still am) employed by Paradigm, a fund of funds based in New York. Hedgeco and I had an arrangement where I would pay \$10,000 per month to contact people in their database, *i.e.*, those who signed up for their web site, to speak with them about Paradigm.
3. After about two months, I told Hedgeco that I was no longer interested in paying for these leads, because I did not believe they were very useful. We agreed that any amounts raised would reimburse me the \$20,000 I paid, and we would split anything going forward. Still, I retained possession of those leads.
4. I have reviewed the so-called agreement attached as Exhibit A to the affidavit of Evan Rapoport. Although I cannot definitively state that I did not sign such an agreement, I have

no recollection of doing so and no copy in my records. The exhibit appears to be in draft form, with Andrew Schneider (not me, Jeffrey Schneider) as a party. Also, my signature appears to be cut-and-pasted.

5. Like Jared Toren, while working with Hedgeco, I observed business practices that made me uncomfortable. For example, it was my understanding that Hedgeco executive Andrew Schneider (again, no relation to me) was engaging in many activities that require a registered representative, even though he is not one. Also, I believe that Hedgeco referred hedge fund clients to certain attorneys, who provided kickbacks in the form of paid advertising on the web site. Finally, I learned that Hedgeco had their programmers copy the data from a competing Internet portal (by the name of HedgeFund.net), for their own use.

6. For these and other reasons, I decided to leave Hedgeco after approximately nine months (October 2007) and start a firm with Jared Toren, who had also worked with Hedgeco, for less than a year. We formed Onyx Global Advisors, which is based in Austin, Texas. We are not a hedge fund database, like Hedgeco. We are third-party marketers, paid on a commission basis for bringing together certain hedge funds and potential investors. As far as I know, we (and Onyx) do not market the same hedge funds as Hedgeco, and do not take any business from them.

7. Onyx is not an Internet portal. Its business is introducing potential investors to alternative investment products, including hedge funds. As far as I know the hedge funds that we offer and direct investors to are different from those hedge funds that Hedgeco has relationships with. Onyx is not preventing the wealthy, potential investors it meets with from investing in any number of potential investment vehicles.

Dated: New York, New York
February 14, 2008


Jeffrey Schneider